



DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON, D.C.

5 Mar 1982

Mr. James A. Cunningham Jr

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Dear Mr. Cunningham

I am very pleased that transfer of a U-2C to the Smithsonian is ongoing, especially since I have been in contact with museum personnel for two years relative to this project. Apparently you are moving rapidly, so I want to reiterate our understanding of some ground rules, recap some actions initiated as a result of your meeting with Ray Novotny, list some unresolved items, and state our view of the direction the project is being moved.

1. Ground Rules:

- a. Transfer/donation must be accomplished at no cost to the Air Force.
- b. We must retain the J-75 engine for the active fleet.
- c. Proper loan/donation agreements must be executed between AF Museum and Smithsonian Directors.
- d. Transfer must be effected such that there is no risk of the event deteriorating into an embarrassment to the Air Force, CIA or Lockheed.

2. Actions Initiated:

- a. Contact has been made with the AF Museum Director, who has agreed to process appropriate loan/transfer agreements.
- b. We are waiting for designation of the Smithsonian point of contact in order to pursue preparations.

3. Unresolved:

- a. Commitments for cost underwriting by Lockheed, P&W, etc.
- b. Timing of transfer.
- c. Method of transportation.
- d. Specifics of turnover ceremony.
- e. Manner in which Smithsonian will display aircraft.

I am highly concerned that this project be carried out in a way that precludes any hint of waste by either the government or Lockheed. We are currently involved with serious upheavals of the TR-1 (U-2R) program as a result of cost increases which are unacceptable to a large segment of the Air Force. The TR-1 is a powerful weapons system in either the surveillance role or PLSS role. Neither the Air Force, Lockheed nor the Agency should do anything to jeopardize procurement of these valuable aircraft. Certainly none of us who have nurtured the U-2 program should allow ourselves to get in the ironic position of hurting production of follow-on U-2's (TR-1). Unless we carry out the museum project with the lowest possible expenditure of funds we may well open the charge that the contractor is overpricing new TR-1 aircraft to help pay for gold-plated public relations schemes. Preliminary figures seem to indicate trucking will be the least expensive/most convenient means of transportation.

We'll keep plugging along on this. Meanwhile we're ready to meet with you any time you wish.

Sincerely



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cc:



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